

## April 8, 2004 Commission Meeting Summary

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### ITEM #

1. **Public Comment.** *No public comment received.*

### CONSENT ITEMS

2. **Approval of the Minutes of the March 15, 2004, Commission Meeting.** *Approved.*

### ENFORCEMENT

#### Major Donor Reporting Violations

3. **In the Matter of Weider Publications, Inc.; FPPC No. 03/551.** Staff: Commission Counsel Jennie Eddy and Investigator III Jon Wroten. Respondent Weider Publications, Inc. is a health and fitness publications corporation, located in Woodland Hills. Respondent committed two violations of the Act by failing to timely file a semi-annual campaign statement, in violation of Section 84200(b) (1 count), and by failing to file a semi-annual campaign statement electronically, in violation of Government Code section 84605(a) (1 count). *Approved; \$6,000 fine.*
4. **In the Matter of Eugene Williams; FPPC No. 03/550.** Staff: Commission Counsel Jennie Eddy and Investigator III Jon Wroten. Respondent Eugene Williams is retired and resides in St. Louis, Missouri. Respondent committed one violation of the Act by failing to timely file a semi-annual campaign statement, in violation of Government Code section 84200(b) (1 count). *Approved; \$2,000 fine.*
5. **In the Matter of American Housing Construction, Inc.; FPPC No. 03/638.** Staff: Commission Counsel Jennie Eddy and Investigator III Jon Wroten. Respondent American Housing Construction, Inc. is a real estate development and construction corporation located in Los Angeles. Respondent committed one violation of the Act by failing to timely file a semi-annual campaign statement, in violation of Government Code section 84200(b) (1 count). *Approved; \$2,000 fine.*
6. **In the Matter of Mammoth Mountain Ski Area; FPPC No. 03/486.** Staff: Commission Counsel Jennie Eddy and Investigator III Jon Wroten. Respondent Mammoth Mountain Ski Area is a ski resort located in Mammoth Lakes. Respondent committed one violation of the Act by failing to timely file a semi-annual campaign statement, in violation of Government Code section 84200(b) (1 count). *Approved; \$2,000 fine.*

7. **In the Matter of Sudhakar Company, Inc.; FPPC No. 03/554.** Staff: Commission Counsel Jennie Eddy and Investigator III Jon Wroten. Respondent Sudhakar Company, Inc. is a construction company located in Rialto. Respondent committed one violation of the Act by failing to timely file a semi-annual campaign statement, in violation of Government Code section 84200(b) (1 count). *Approved; \$2,000 fine.*

### **Campaign Reporting Violations**

8. **In the Matter of Kathleen E. Doyle, Kathleen Doyle for Supervisor, and Erin Doyle, FPPC No. 01/403.** Staff: Commission Counsel Elizabeth K. Conti and Investigator II Charlie Bilyeu. Kathleen E. Doyle was an unsuccessful candidate for a seat on the Sonoma County Board of Supervisors, Second District, in the 1998 Primary election. Kathleen Doyle for Supervisor was the controlled committee of Kathleen Doyle. Erin Doyle was the treasurer of the committee. Respondents committed three violations of the Act by failing to keep the required campaign records necessary to prepare three campaign statements, in violation of Government Code section 84104 (3 counts). *Approved; \$4,000 fine.*
9. **In the Matter of Benjamin Antioquia, FPPC No. 01/721.** Staff: Commission Counsel Jeffery A. Sly and SEI Coordinator Mary Ann Kvasager. Respondent Benjamin Antioquia, a member of the Dental Examiners Board for the California Department of Consumer Affairs, failed to timely file a 2001 and 2002 annual statement of economic interests, in violation of Government Code section 87300 (2 counts). *Approved; \$600 fine.*
10. **In the Matter of Nori Lietz, FPPC No. 02/624.** Staff: Commission Counsel Jeffery A. Sly and SEI Coordinator Mary Ann Kvasager. Respondent Nori Lietz, a financial investment consultant for CalPERS, failed to timely file a 2001 annual statement of economic interests, in violation of Government Code section 87300 (1 count). *Approved; \$600 fine.*

### **Late Contribution – Streamlined Program**

11. **Failure to Timely File Late Contribution Reports – Proactive Program.** Staff: Chief Investigator Alan Herndon, Investigator III Jon Wroten, and Political Reform Consultant Mary Ann Kvasager. The following persons and entities have entered into stipulations for failure to file late contribution reports in 2003, in violation of Government Code Section 84203:
- a. **In the Matter of Kenneth A. & Roberta E. Eldred, FPPC No. 2004-141.** Kenneth A. & Roberta E. Eldred of Portola Valley, California failed to timely disclose a late contribution totaling \$20,000.00. (1 count). *Approved; \$3,000 fine.*
  - b. **In the Matter of Bradford C. Koenig, FPPC No. 2004-147.** Bradford C. Koenig of Atherton, California failed to timely disclose a late contribution totaling \$20,000.00. (1 count). *Approved; \$3,000 fine.*
  - c. **In the Matter of William Wilson III, FPPC No. 2004-162.** William Wilson III of San Francisco, California failed to timely disclose a late contribution totaling \$10,000.00. (1 count). *Approved; \$1,500 fine.*

## **Major Donor - Streamlined Procedure**

**12. Failure to Timely File Major Donor Campaign Statements.** Staff: Chief Investigator Alan Herndon, Investigator III Jon Wroten, and Political Reform Consultant Mary Ann Kvasager. The following persons and entities have entered into stipulations for failing to file major donor campaign statements that were due for the calendar year of 2002, in violation of Government Code Section 84200:

- a. **In the Matter of Margaret M. Howard Miller, FPPC No. 2003-555.** Margaret M. Howard Miller of Los Angeles, California failed to timely disclose contributions totaling \$10,000 (1 count). *Approved; \$400 fine.*

## **LEGAL MATTERS**

### **Adoption**

**13. Amendments to Lobbying Disclosure Regulation 18616 -- Reporting by Lobbyist Employers and Persons Spending \$5,000 or More to Influence Legislative or Administrative Action.** Staff: Chief of Technical Assistance Carla Wardlow and Commission Counsel Galena West. The Commission is considering amendment of regulation 18616, which governs reporting by lobbyist employers and persons spending \$5,000 or more to influence legislative or administrative action. In 2001, AB 1325 amended the Act's lobbying disclosure provisions to codify the reduced reporting for influencing PUC ratemaking and quasi-legislative proceedings found in Commission regulations. The proposed regulatory amendments to regulation 18616 clarify that the new statutory language did not alter existing "grass roots" lobbying rules in connection with PUC activities. *The amendments were adopted.*

**14. Post Election Fundraising – Section 85316; Permanent Adoption of Emergency Amendment to Regulation 18531.6 and Permanent Adoption of Emergency Regulation 18531.61.** Staff: Commission Counsel C. Scott Tocher. In light of recent experiences during the gubernatorial recall election, the Commission amended in January of 2004 regulation 18531.6, which governs post-election fundraising. In originally adopting regulation 18531.6, which interprets section 85316's prohibition on post-election fundraising in excess of net debt, the Commission determined that the statute's prohibition does not apply to election committees formed for elections occurring prior to the effective date of Proposition 34. The Commission reversed that decision and embodied its determination that section 85316 applies to such committees in emergency regulation 18531.61. The Commission will consider whether those actions shall be made permanent. *The amendment and regulation were permanently adopted.*

### **Pre-Notice Discussion**

**15. Pre-notice Discussion of Amendments to Termination of Committees Regulation 18404.1 – Termination and Reopening of Committees.** Staff: Commission Counsel Galena West and General Counsel Luisa Menchaca. The Commission is considering amendment of regulation 18404.1, the rules regulating the termination of committees.

Candidate controlled committees organized for elective state office are required to terminate pursuant to regulations 18404 and 18404.1. The amended regulatory language of regulation 18404.1 presents a procedure for committees to reopen for limited purposes. These limited purposes are listed in the proposed amendments to the regulation. Also addressed in the amended regulation is the time frame in which a candidate controlled committee organized for elective state office must close if the candidate has withdrawn from the election. *The proposed amendments were approved, with revisions, for notice and adoption in June.*

- 16. Prenotice Discussion: Sections 85301, 85302, 85303 and 85310 – Expenditures for Communications Featuring Candidates; Contribution Limits on Candidate-Controlled Ballot Measure Committees; Draft Amended Regulation 18531.5 (Recall Elections); Draft Regulation 18530.9 (Contributions to Candidate Controlled Ballot Measure Committees); Draft Regulation 18531.10 (Communications Identifying State Candidates).** Staff: Commission Counsel C. Scott Tocher. This prenotice discussion addresses the issues surrounding application of section 85310, which partially governs issue advocacy, to candidate-controlled ballot measure committees. The experience of the recent gubernatorial recall election has raised the issue of whether campaign contribution limits can apply to ballot measure committees that are controlled by candidates when payments are made for advertisements in which the candidate appears. This staff memorandum addresses this and various other issues arising out of section 85310, including its interaction with section 85303. Commission staff also addresses the possible application of contribution limits under sections 85301 and 85302 to candidate controlled ballot measure committees. *The proposed amendment and regulations were approved for notice and adoption in June.*

## **ITEMS REMOVED FROM CONSENT**

### **ACTION ITEMS**

- 17. Legislative Report.** Staff: Executive Director Mark Krause. *The Commission approved staff recommendations to support AB 1980 if amended; take no position on SB 1712; and oppose SB 1849 unless amended. The Commission also took an oppose position on AB 2842.*

### **DISCUSSION ITEMS**

- 18. Executive Director's Report.** Staff: Executive Director Mark Krause. A discussion of 2004-2005 budget issues will be presented. *The Commission authorized staff to propose that the Legislature suspend certain provisions of the Act to implement anticipated budget reductions.*
- 19. Litigation Report.** Staff: General Counsel Luisa Menchaca and Senior Commission Counsel Larry Woodlock. *Submitted without discussion.*